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FM AMEMBASSY JAKARTA
TO RUEHGP/AMEMBASSY SINGAPORE 6201
RUEHC/SECSTATE WASHDC 6938
INFO RUEHZS/ASSOCIATION OF SOUTHEAST ASIAN NATIONS
RUEHBJ/AMEMBASSY BEIJING 4453
RUEHBY/AMEMBASSY CANBERRA 1504
RUEHUL/AMEMBASSY SEOUL 4276
RUEHKO/AMEMBASSY TOKYO 1069
RUEAHL/HOMELAND SECURITY CENTER WASHINGTON DC
RUEAIIA/CIA WASHDC
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UNCLAS SECTION 01 OF 02 JAKARTA 003086

SIPDIS

SENSITIVE
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DEPT FOR EAP/MTS AND EB/TRA/AN
SINGAPORE FOR COAST GUARD-LT CDR PURGANAN

E.O. 12958: N/A

TAGS: [ECON](#) [ETRD](#) [EWWT](#) [PBTS](#) [ID](#)

SUBJECT: INDONESIA PORT SECURITY ADVISORY UPDATE

REF: STATE 111900

¶1. (SBU) Summary: The Port Security Advisory (PSA) for Indonesia will go into effect on or about November 24, 2007. In an October 22, 2007 meeting with Embassy and U.S. Coast Guard (USCG) officials, Directorate General of Sea Transportation (DGST) officials told the Embassy they would not attempt to use the Recognized Security Organization (RSO) process to verify International Shipping and Port Facility Code (ISPS) compliance. They requested that the USCG return as soon as possible to verify ISPS compliance at certain ports. Indonesia will begin receiving significant assistance to improve port security from the USG, Government of Australia (GOA) and Government of Japan (GOJ) as early as December 2007. USCG briefed U.S. companies on the PSA process on October 23, 2007. End summary.

GOI REJECTS RSO PROCESS

¶2. (SBU) DGST Head of Patrol and Security Untung and Head of Security Section Muchlis Tohepaly laid out legal and financial reasons for not using the RSO process to verify ISPS compliance. According to Indonesian law, RSOs are not authorized to conduct any kind of verification of port facilities. DGST officials said this would require sharing port security plans with RSOs, which they consider a security violation. They said the cost of contracting an RSO for ISPS verification is problematic. Untung and Muchlis requested that the USCG conduct verification of ISPS compliance at the six port facilities that have previously been visited by USCG and did not meet exemption requirements (Belawan International Container Terminal, Terminal Petikemas Koja Jakarta, PT Pelabuhan Indonesia II Cabang Padang, Duks PT Semen Padang, Semarang Conventional/Cruise Terminal and Jamrud Pelindo III Tanjung Perak), as well as 10-15 other ports that the DGST considers priorities for exemption based on the amount of trade to U.S. ports. The USCG representative explained that the RSO process is a quicker way to verify ISPS compliance than USCG visits to the ports and port facilities.

GOI WELCOMES DONOR ASSISTANCE

¶3. (U) Untung and Muchlis welcomed port security training and were positive about the possibility of an Indonesian-based

USCG Liaison and a USG comprehensive maritime security training needs assessment and plan, which are planned for early 2008. They specifically asked for training in conducting tabletop simulation exercises. They requested that the USG coordinate with the governments of Australia (GOA) and Japan (GOJ) in providing assistance.

¶4. (SBU) Australian Embassy Transportation Officer David Ramsey told us the GOA had authorized, on October 16, 2007, a five-year \$8.5 million maritime security training program for Indonesia with caveats: the GOA should not announce the program until the PSA for Indonesia takes effect and the GOA must coordinate with the USG on training to avoid duplication of programs. The focus of the GOA program is ISPS compliance, and is expected to be up and running by mid-2008.

The Indonesia program will be managed by the GOA Department of Transport and Regional Services and will be modeled after the East Asia Initiative maritime security program that the GOA implemented in the Philippines. As part of the East Asia Initiative, the GOA is developing a \$369,000 port security training program for the Celebes Sea areas of the Philippines and Indonesia. The GOI has not yet agreed to accept the program that would include courses for port security officers, ISPS audit and security awareness.

¶5. (U) The GOJ has posted a Japan International Cooperation Agency (JICA) representative at DGST who has responsibility for advising and developing port security assistance to Indonesia. In conjunction with the Asia-Pacific Economic Cooperation, JICA is conducting an ISPS exercise and audit seminar for DGST December 4-6, 2007. The two-year JICA position at DGST has one year remaining.

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PRIVATE SECTOR GETS INFORMED ON PSA

¶6. (U) Approximately 25 participants, including major shipping companies American President Lines (APL) and Maersk, manufacturing companies that supply to U.S. companies Talbots, Target and Sara Lee and resource companies Chevron and ConocoPhillips, attended an ISPS briefing by USCG representative on October 23, 2007. Beyond the direct impact on their companies, U.S. shippers were interested in the scope and nature of the U.S. program of ISPS verification. One participant asked if the International Maritime Organization or other countries were conducting ISPS verification. APL-Indonesia President Director Dennis Bras said his company, which, according to him, has the largest market share of Indonesian shipping to the U.S., would not be hurt by the PSA because the company consolidates its shipments in Singapore. No U.S. or Indonesian company has yet contacted Post with concerns regarding the impending PSA.

¶7. (SBU) We have reached out individually to large U.S. and third country resource companies, i.e. Exxon Mobil, Chevron, Newmont, Freeport-McMoRan, ConocoPhillips and British Petroleum, that own or operate ports or facilities in Indonesia. These ports and facilities do not fall under the direct supervision of DGST and the USCG has agreed to grant them temporary exempt status. The USCG has instituted a separate exemption process for them that involves a briefing to USCG on the port facility's ISPS implementation and spot checks by USCG as needed.

NEXT STEPS

¶8. (SBU) DGST representatives claim that port facilities are ready for an ISPS compliance verification visit. They have not taken steps towards lifting the PSA as outlined by USCG, including submitting a port security plan. We will ask them to reconsider using the RSO process as recommended by USCG.
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